September 30, 2014

VIA ECFS

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Ex Parte Presentation, *In the Matter of Applications of Comcast Corp. and Time Warner Cable Inc. For Consent to Assign or Transfer Control of Licenses and Authorizations,* MB Docket No. 14-57

Dear Ms. Dortch:

On September 29, 2014, Writers Guild of America, West ("WGAW" or "Guild") board members Alfredo Barrios and Patric Verrone, WGAW Research & Public Policy Director Ellen Stutzman, WGAW Political Director John Vezina, Expert Economist Dr. William S. Comanor and the undersigned met with Hillary Burchuk, Joel Rabinovitz, Jim Bird, and Virginia Metallo of the Office of General Counsel; Hillary DeNigro, Marcia Glauberman, Adam Copeland, Sarah Whitesell, Alison Neplokh, Jeffrey Neumann, Ty Bream, Johanna Thomas, and Wayne T. McKee of the Media Bureau; Matt Warner and Betsy McIntyre of the Wireline Competition Bureau; Paul LaFontaine, Jonathan Levy, and Tim Breenan of the Office of Strategic Planning and Policy; Susan Singer of the Wireless Telecommunications Bureau; Philip Verveer of the Office of the Chairman and William Rogerson (phone) to express the WGAW's concerns that the proposed merger between Comcast Corporation ("Comcast") and Time Warner Cable, Inc. ("TWC") would harm competition in the television and online video programming markets.

WGAW representatives discussed their concern with the combination of Comcast and TWC as a horizontal merger of direct competitors, noting that while Comcast and TWC may serve distinct geographic markets, they do compete as buyers in the market for purchasing television programming. WGAW representatives stated that there is substantial evidence to that Comcast already has excessive market power as a buyer, and exercises this power by paying less than other MVPD's for television networks. As Comcast grows larger, through the acquisition of TWC, WGAW is concerned Comcast will gain additional leverage, allowing it to further reduce prices paid to programmers in an anticompetitive manner.

Dr. Comanor discussed his analysis of the multichannel video programming distributor ("MVPD") market, highlighting the evidence that suggests Comcast already has market power as a buyer, or monopsony power. In this regard, he referenced the declaration of Michael J. Angelakis, the Vice Chairman and Chief Financial Officer of Comcast Corporation, noting that based on estimated programming cost savings provided by Angelakis, Comcast pays less for programming than TWC. Dr. Comanor also noted that monopsony requires not only lower prices, but also reduced output. Dr. Comanor also referenced information from the Commission's *Annual Assessment of the Status of Competition in the Market for the Delivery of*

Video Programming report, which suggests that Comcast, in fact, offers fewer channels than other MVPDs. He also noted that a key factor in the exercise of monopsony power occurs when lower input prices does not lead to lower prices of the related output. Citing a standard textbook on monopsony written by Roger Blair and Jeffrey Harrison, Dr. Comanor stated that monopsony power does not produce consumer benefits because it does not result in lower prices. The Guild stated it's view that the outcome of this merger and exercise is likely higher prices for consumers, rather than lower prices.

WGAW representatives also expressed their concerns with how the merger may harm the nascent online video distribution ("OVD") market. The OVD market must be protected, we argued, because it promises to fundamentally alter the existing production and distribution for the better by offering new programming choices and more high quality, competitive content consumers. WGAW provided a brief handout that outlines the recent growth path of original online video programming that competes directly with television content. The information presented by the WGAW demonstrates that, based on the content produced and offered by OVDs, demonstrates that the market is national and the merger of Comcast and TWC will significantly increase Comcast's control over Internet distribution and OVD access to consumers. WGAW representatives argued that in the Commission should define the broadband market to include cable and fiber ISPs, but should exclude DSL since DSL cannot match the increasing speeds that consumers are demanding for bandwidth heavy activities such as online video consumption. WGAW also argued that Mobile should be excluded from the analysis because current pricing makes significant consumption of video on a data plan cost prohibitive.

Guild representatives also noted that the OVD market must be protected because it relies on Internet service providers ("ISPs") to reach consumers, and because a merged Comcast-TWC will control an even greater share of the ISP market. Services like Netflix and Amazon are not substitutes for MVPDs because of the type of programming offered and because they do not own the pathway to the customer.

Guild representatives further noted that because Comcast is vertically integrated into upstream content markets, this merger will enhance the company's incentive and ability to harm unaffiliated OVDs. Acquisition of TWC increases the ability of Comcast to engage in anticompetitive behavior because it will control a greater share of the ISP market. The merger also enhances Comcast's incentive to harm unaffiliated OVDs because its MVPD business will represent a greater share of company revenue and, thus, will increase the incentive to protect this business. Further, because Comcast is vertically integrated and operates a subscription video on demand ("SVOD") service that competes with Netflix and Amazon Prime, as well as an electronic sell through ("EST") business that competes with iTunes, it will have the ability and incentive to use its control of distribution to steer customers to its affiliated upstream products and away from those offered by competitors. Comcast's exemption of its own streaming service from data caps and its interconnection dispute with Netflix highlight its existing ability to harm upstream OVD competition, an ability which will be significantly enhanced by the merger.

For these reasons, WGAW representatives argued that the transaction inevitably will undermine the emerging competitive environment and that, therefore,the proposed merger should be the transaction presents too many harms to competition and the Commission should deny the merger.

Pursuant to section 1.1206(b) of the Commission's rules, a copy of this letter is being filed electronically with the Office of the Secretary and served electronically on the Commission participants in the meeting. If you have any further questions, please contact me at (202) 251-4264.

Respectfully submitted,

/s/

Michael A Forscey

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